



Ministry of Finance

Debt and Financial Assets
Management Department

Debt Portfolio Management Quarterly Report

1st Quarter of 2023



21 April 2023

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List of Abbreviations

bn	Billion
CDCP	Central Securities Depository Prague
CNB	Czech National Bank
CPI	Consumer price index
CZK	Czech koruna currency code
CZSO	Czech Statistical Office
ESA 2010	European System of Accounts 2010
EUR	Euro currency code
FIX	Fixed-rate
GDP	Gross domestic product
ISIN	International Securities Identification Number
JPY	Japanese yen currency code
mil	Million
MTS	Mercato Telematico Secondario
p.a.	Per annum
p.p.	Percentage point
T-Bills	State treasury bills
T-Bonds	Medium-term and long-term government bonds
VAR	Variable-rate

Summary and Main Events

The Ministry of Finance (hereinafter the Ministry or MoF) presents, in accordance with the calendar of published information, the Debt Portfolio Management Quarterly Report, which contains the state of fulfilment of the operational funding programme and issuance activity plans in relation to the announced strategic targets and limits specified in the Czech Republic Funding and Debt Management Strategy for 2023 published on 3 January 2023. It also includes regular quarterly evaluations of primary dealers for the period from the second quarter of 2022 to the first quarter of 2023.

During the first quarter of 2023, the regular issuance activity of the state was carried out in the standard mode, especially for the purpose of covering state debt redemptions in the first quarter of 2023 and the ongoing coverage of the state budget deficit, when the CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 103.7 billion were sold on the primary market through seventeen auctions on six auction days. Issuance activity on the primary market was further supplemented by secondary market operations, when the government bonds in a total nominal value of CZK 38.8 billion were bought-back as part of exchange operation, and the CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 37.3 billion were sold. In the first quarter of 2023, no regular redemption of the CZK-denominated medium-term and long-term government bonds was carried out. The total nominal value of the net issue of CZK-denominated medium-term and long-term government bonds amounted to CZK 102.2 billion.

During the first quarter of 2023, the CZK-denominated state treasury bills in a total nominal value of CZK 94.6 billion were sold in six auctions and, at the same time, the CZK-denominated state treasury bills in a total nominal value of CZK 48.7 billion were redeemed. The total nominal value of the net issue of the CZK-denominated state treasury bills amounted to CZK 45.9 billion.

In the first quarter of 2023, two issues of EUR-denominated state treasury bills in a total nominal value of EUR 2.0 billion were carried out on the domestic market under Czech law, and no regular redemption of EUR-denominated state treasury bills was carried out. The total nominal value of the net issue of EUR-denominated state treasury bills amounted to EUR 2.0 billion.

As part of the project of direct sale of government bonds intended for citizens, eight new tranches of already issued government bonds in the form of reinvested yields in a total nominal value of CZK 7.1 billion were issued. No regular redemption was carried out, only early redemptions based on the exercise of the right of holders in a total nominal value of CZK 0.6 billion were carried out. The total nominal value of the net issue of government bonds intended for citizens reached CZK 6.5 billion.

In the area of received loans and credits from international institutions, no new tranche was drawn during the first quarter of 2023, only regular repayments were carried out, and also repayments before the maturity date of loans received from the European Investment Bank in the total amount of CZK 2.0 billion.

Expanding the Portfolio of Debt Instruments Denominated in the Euro

During the first quarter of 2023, short-term money market loans in a total nominal amount of EUR 4.8 billion were repaid, which were concluded in the previous year for the purpose of preventively strengthening the available liquidity of the euro state treasury single account.

A broad portfolio of short-term and long-term debt instruments is available to cover foreign currency financing needs, with the aim of making the most of the current situation on the euro money or government bond market, with regard to the effective management of the state treasury's liquidity. In order to cover the euro financing needs in the short term or to preventively strengthen the available liquidity of the euro state treasury single account, the issue of state treasury bills denominated in the euro was successfully tested on the domestic market. These state treasury bills are registered in the Central Securities Depository Prague and are also eligible for Eurosystem credit operations.

On 18 January 2023, a pilot multiple-price auction of three-month state treasury bills denominated in the euro was carried out, when state treasury bills in a total nominal value of EUR 1.0 billion were sold with an average yield to maturity of 2.508% p.a. Total demand in the auction amounted to almost EUR 3.5 billion. On the same day, the auction of the European Commission's three-month bills with a maturity on 7 April 2023 was also carried out, in which the EU-Bills in a total nominal value of EUR 0.9 billion were sold with an average yield to maturity of 2.194% p.a. The pilot auction was followed in February by the issue of six-month state treasury bills in a total nominal value of EUR 1.0 billion with an average yield to maturity of 3.102% p.a. On the same auction day, the auction of the European Commission's six-month bills with a maturity on 4 August 2023 was also carried out, in which the EU-Bills in a total nominal value of 1.0 billion were sold with an average yield to maturity of 2.884% p.a. During the first quarter of 2023, state treasury bills denominated in the euro in a total nominal value of EUR 2.0 billion were sold.

Successful Issuance at the Beginning of 2023

During the first quarter of 2023, the regular issuance activity of the state was carried out, especially for the purpose of covering the CZK-denominated state debt redemptions in the first quarter and the ongoing coverage of the state budget deficit, when the CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 103.7 billion were sold on the primary market. As part of exchange operations, the CZK-denominated medium-term and long-term government bonds in a total nominal value of CZK 37.3 billion were

also sold on the secondary market. The gross issue of CZK-denominated medium-term and long-term government bonds on the domestic market amounted to CZK 141.0 billion. The Ministry also issued new tranches of already issued government bonds intended for citizens in the form of reinvested yields in a total nominal value of CZK 7.1 billion. In total, the government bonds with maturities of over one year in a total nominal value of CZK 148.1 billion were issued.

Affirmation of the Czech Republic's Rating

During the first quarter of 2023, Fitch Ratings affirmed the Czech Republic's current rating at AA- for long-term domestic and foreign currency liabilities. Rating agency ACRA also affirmed the Czech Republic's current rating at AA for long-term domestic and foreign currency liabilities. Among the factors in favour of maintaining the rating unchanged, the rating agencies included in particular credible

fiscal and monetary policy, a strong institutional framework, favourable external financing and the attractiveness of the Czech Republic for foreign investors. Maintaining the Czech Republic's rating and the associated high credit worthiness is thus a positive signal, which also has an impact on the Czech Republic's position on the domestic and foreign financial markets.

1 – Borrowing Requirement and Development of State Debt

Table 1: Structure and Balance of the Debt Portfolio

CZK bn	2021	2022	31/3/2023
Gross state debt	2,465.7	2,894.8	2,997.0
T-Bills and other money market instruments	49.2	147.1	146.9
Received collateral in cash	0.0	0.0	0.0
T-Bonds issued on domestic market	2,219.8	2,521.3	2,622.6
T-Bonds issued on foreign markets	74.1	5.1	4.9
Savings government bonds	38.9	83.4	89.9
Received credits and loans ¹	83.7	137.8	132.8
Promissory notes and unpaid principals of government securities	0.0	0.1	0.1
Share of GDP (%)²	40.4	42.6	42.9

¹ Credits and loans received from international financial institutions and European Commission.

² GDP in the ESA 2010 methodology. The source of data for Q1 2021 – Q4 2022 is CZSO, for Q1 2023 the Macroeconomic Forecast of the Czech Republic – April 2023. Source: MoF, CZSO

Table 2: Financing Needs and Sources

CZK bn	2021	2022	Q1 2023
Primary balance of state budget	377.5	310.7	149.8
Net expenditure on state debt ¹	42.2	49.7	16.4
T-Bonds redemptions ²	238.8	221.4	38.8
Redemptions and early redemptions on savings government bonds	0.5	0.4	0.6
T-Bills and other money market instruments redemptions ³	25.4	49.0	113.9
Repayments on credits and loans ⁴	6.0	4.4	2.0
Total financing needs	690.4	635.6	321.4
Gross T-Bills issue and other money market instruments ^{3, 5}	49.6	150.5	117.3
Received collateral in cash	0.0	0.0	0.0
Gross issue of T-Bonds on domestic market ⁵	577.8	455.9	141.0
Gross issue of T-Bonds on domestic market up to 5 years ^{5, 6}	113.6	168.5	9.2
Gross issue of T-Bonds on domestic market from 5 to 10 years ^{5, 6}	239.8	185.5	98.8
Gross issue of T-Bonds on domestic market over 10 years ^{5, 6}	224.4	101.8	32.9
Gross issue of T-Bonds on foreign markets ⁵	0.0	0.0	0.0
Gross issue of savings government bonds ⁷	13.8	45.0	7.1
Received credits and loans ⁴	54.9	60.7	0.0
Financial asset and liquidity management	-5.6	-76.5	56.1
Total financing sources	690.4	635.6	321.4
Gross borrowing requirement	696.0	712.0	265.3

¹ Balance of the budgetary chapter 396 – State Debt.

² Incl. the effect of buy-backs and exchange operations.

³ Excl. T-Bills issued and redeemed within respective period and roll-over of other money market instruments.

⁴ Credits and loans received from international financial institutions and European Commission.

⁵ Nominal value; premiums and discounts included in the net expenditure on state debt, i.e. they are included in the net borrowing requirement.

⁶ Residual time to maturity at the transaction settlement date.

⁷ Incl. the reinvestment of yields.

Source: MoF

Table 3: Net Borrowing Requirement and Change in State Debt

CZK bn	2021	2022	Q1 2023
Gross state debt as at 1 January	2,049.7	2,465.8	2,894.8
Primary state budget balance	377.5	310.7	149.8
Net expenditure on state debt service ¹	42.2	49.7	16.4
Financial asset and liquidity management operations	5.6	76.5	-56.1
Net borrowing requirement	425.3	436.9	110.1
T-Bills net issue and net change in the balance of other money market instruments	24.2	101.5	3.4
T-Bonds net issue on domestic market	389.5	302.4	102.2
T-Bonds net issue on foreign markets	-50.5	-67.8	0.0
Savings government bonds net issue	13.3	44.5	6.5
Net change in balance of received credits and loans ²	48.8	56.3	-2.0
Financing of net borrowing requirement	425.3	436.9	110.1
Revaluation of state debt ³	-9.3	-7.8	-7.9
Promissory notes and unpaid principals of government securities net change	0.0	0.1	0.0
Gross state debt change	416.0	429.1	102.2
Gross state debt as at the end of period	2,465.7	2,894.8	2,997.0

¹ Balance of budgetary chapter 396 – State debt.

² Credits and loans received from international financial institutions and European Commission.

³ Incl. the revaluation of the debt denominated in foreign currencies based on the exchange rate difference and the consolidation of state debt from the bonds, which were at the moment of issuance registered on the asset account maintained by the Ministry in the respective record, for the period they were registered on such account, as well as the bonds acquired by the state as the issuer before their maturity date, and the cash resources received or repaid within the lending facilities provided from the nuclear portfolio.

Source: MoF

The absolute value of state debt reached CZK 2,997.0 billion at the end of the first quarter of 2023, which represents an increase of CZK 102.2 billion compared to the end of 2022. It is mainly due to the sale of government bonds

with a maturity of more than one year and state treasury bills during the first quarter of 2023 to cover the state budget deficit, which reached CZK 166.2 billion at the end of March.

2 – Primary Market of Government Bonds

Table 4a: Medium-Term and Long-Term Government Bonds Issued in Q1 2023

Issue name	Issue/ tranche no.	Auction date	Settlement date	Maturity date	Currency	Max. nominal value offered in the competitive part of auction	Total nominal value sold
ČR, 2.40 %, 25	89 25	11/1	13/1	17/9/2025	CZK	4,000,000,000	3,719,040,000
ČR, 5.50 %, 28	149 8	11/1	13/1	12/12/2028	CZK	7,000,000,000	14,441,950,000
ČR, 1.95 %, 37	142 6	11/1	13/1	30/7/2037	CZK	4,000,000,000	8,562,040,000
ČR, 0.25 %, 27	100 29	25/1	27/1	10/2/2027	CZK	3,000,000,000	3,043,960,000
ČR, 5.00 %, 30	150 11	25/1	27/1	30/9/2030	CZK	7,000,000,000	9,801,000,000
ČR, 1.95 %, 37	142 7	25/1	27/1	30/7/2037	CZK	3,000,000,000	7,293,000,000
ČR, 5.00 %, 30	150 12	8/2	10/2	30/9/2030	CZK	8,000,000,000	9,695,050,000
ČR, VAR %, 31	139 19	8/2	10/2	31/10/2031	CZK	6,000,000,000	7,535,660,000
ČR, 1.50 %, 40	125 23	8/2	10/2	24/4/2040	CZK	2,000,000,000	2,149,930,000
ČR, 5.50 %, 28	149 9	22/2	24/2	12/12/2028	CZK	7,000,000,000	9,054,000,000
ČR, 1.75 %, 32	138 20	22/2	24/2	23/6/2032	CZK	4,000,000,000	4,100,000,000
ČR, 3.50 %, 35	145 11	22/2	24/2	30/5/2035	CZK	2,000,000,000	2,398,000,000
ČR, 5.00 %, 30	150 13	8/3	10/3	30/9/2030	CZK	7,000,000,000	8,293,070,000
ČR, 1.95 %, 37	142 8	8/3	10/3	30/7/2037	CZK	2,000,000,000	3,072,740,000
ČR, 5.50 %, 28	149 10	22/3	24/3	12/12/2028	CZK	4,000,000,000	7,156,230,000
ČR, 3.50 %, 35	145 12	22/3	24/3	30/5/2035	CZK	3,000,000,000	2,682,100,000
ČR, 1.50 %, 40	125 24	22/3	24/3	24/4/2040	CZK	2,000,000,000	704,780,000
Total							103,702,550,000

Source: MoF, CNB

Table 4b: Medium-Term and Long-Term Government Bonds Issued in Q1 2023

Issue name	Issue/ tranche no.	Coupon	Average price	Average yield to maturity (% p.a.) ¹	Bid- to- cover ratio	Sold in the competitive part of the auction/Max. nominal value offered (%)	Sold in the non- competitive part of the auction/ Max. nominal value offered (%)	
ČR, 2.40 %, 25	89	25	2.40%	93.499	5.052	1.44	89.63	3.35
ČR, 5.50 %, 28	149	8	5.50%	105.190	4.466	1.41	184.75	21.56
ČR, 1.95 %, 37	142	6	1.95%	74.358	4.368	1.40	195.29	18.76
ČR, 0.25 %, 27	100	29	0.25%	83.898	4.723	2.62	99.67	1.80
ČR, 5.00 %, 30	150	11	5.00%	103.766	4.404	1.55	134.36	5.66
ČR, 1.95 %, 37	142	7	1.95%	74.630	4.343	1.18	236.17	6.93
ČR, 5.00 %, 30	150	12	5.00%	103.046	4.513	1.72	100.00	21.19
ČR, VAR %, 31	139	19	VAR%	99.959	0.665	5.20	105.00	20.59
ČR, 1.50 %, 40	125	23	1.50%	63.518	4.620	2.11	100.00	7.50
ČR, 5.50 %, 28	149	9	5.50%	102.490	4.977	2.10	122.39	6.96
ČR, 1.75 %, 32	138	20	1.75%	77.430	4.809	2.93	99.78	2.73
ČR, 3.50 %, 35	145	11	3.50%	88.111	4.803	2.02	116.50	3.40
ČR, 5.00 %, 30	150	13	5.00%	100.037	4.986	1.86	100.00	18.47
ČR, 1.95 %, 37	142	8	1.95%	70.515	4.841	2.17	134.22	19.42
ČR, 5.50 %, 28	149	10	5.50%	104.443	4.583	1.21	169.50	9.41
ČR, 3.50 %, 35	145	12	3.50%	90.436	4.537	1.21	84.67	4.74
ČR, 1.50 %, 40	125	24	1.50%	63.874	4.598	1.31	34.00	1.24
Average					1.97	123.88	10.22	

¹ In case of variable-rate T-Bonds, average spread to PRIBOR in basis points (discount margin) is stated.
Source: MoF, CNB

Table 5: State Treasury Bills Issued in Q1 2023

Issue no.	Maturity (weeks)	Auction date	Issue date	Maturity date	Currency	Max. nominal value offered	Total nominal value sold	Yield to maturity (% p.a.)
873	4	12/1	13/1	10/2/2023	CZK	10,000,000,000	15,186,000,000	6.429
875	13	26/1	27/1	28/4/2023	CZK	10,000,000,000	24,295,000,000	6.406
876	4	2/2	3/2	3/3/2023	CZK	10,000,000,000	17,318,000,000	6.383
877	26	9/2	10/2	11/8/2023	CZK	10,000,000,000	14,812,000,000	6.313
879	13	23/2	24/2	26/5/2023	CZK	10,000,000,000	6,779,000,000	6.277
880	4	2/3	3/3	31/3/2023	CZK	15,000,000,000	16,171,000,000	6.204
Total CZK							94,561,000,000	6.347¹
874	13	18/1	20/1	21/4/2023	EUR	500,000,000	1,000,000,000	2.508
878	26	15/2	17/2	18/8/2023	EUR	500,000,000	1,000,000,000	3.102
Total EUR							2,000,000,000	2.805¹

¹ Average weighted yield to maturity.
Source: MoF, CNB

Table 6: Savings Government Bonds Issued in Q1 2023

Issue name	Issue no.	Settlement date	Maturity date	Original maturity (years)	Total nominal value sold
SD-R ČR, FIX %, 26 V ¹	131	31/12/2022 ²	31/12/2026	6.0	238,104
SD-I ČR, CPI %, 26 V ¹	132	31/12/2022 ²	31/12/2026	6.0	681,011,639
SD-R ČR, FIX %, 26 ¹	114	2/1/2023	2/1/2026	6.0	510,010
SD-I ČR, CPI %, 26 ¹	115	2/1/2023	2/1/2026	6.0	222,800,969
SD-F ČR, 1.25 %, 26 ¹	116	2/1/2023	2/1/2026	6.0	152,180
SD-R ČR, FIX %, 28 ¹	143	3/1/2023	3/1/2028	6.0	959,556
SD-I ČR, CPI %, 28 ¹	144	3/1/2023	3/1/2028	6.0	6,142,687,168
SD-R ČR, FIX %, 25 ¹	106	1/2/2023	1/2/2025	6.0	44,997,461
Total					7,093,357,087

¹ Incl. tranches issued in the form of reinvestment of yields.

² If the reinvestment date of yields falls on a day, which is not a business day, the relevant government bonds are reinvested to the bondholder's asset account in the Ministry's register on the first following business day.

Source: MoF

Table 7: Medium-Term and Long-Term Government Bonds Issued on Domestic Market as at 31/3/2023

Issue name	Issue no.	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
ČR, VAR %, 23	63	CZ0001003123	18/4/2023	88,309,000,000	900,000,000
ČR, 0.45 %, 23	97	CZ0001004600	25/10/2023	73,064,860,000	16,118,680,000
ČR, 5.70 %, 24	58	CZ0001002547	25/5/2024	88,600,000,000	1,400,000,000
ČR, VAR %, 24	147	CZ0001006498	22/10/2024	27,740,620,000	2,259,380,000
ČR, 0.00 %, 24	135	CZ0001006167	12/12/2024	40,390,380,000	10,609,620,000
ČR, 1.25 %, 25	120	CZ0001005870	14/2/2025	119,000,000,000	1,000,000,000
ČR, 2.40 %, 25	89	CZ0001004253	17/9/2025	135,000,000,000	1,000,000,000
ČR, 6.00 %, 26	148	CZ0001006506	26/2/2026	100,000,000,000	1,000,000,000
ČR, 1.00 %, 26	95	CZ0001004469	26/6/2026	149,000,000,000	1,000,000,000
ČR, 0.25 %, 27	100	CZ0001005037	10/2/2027	134,000,000,000	1,000,000,000
ČR, VAR %, 27	90	CZ0001004105	19/11/2027	119,000,000,000	1,000,000,000
ČR, 2.50 %, 28	78	CZ0001003859	25/8/2028	149,000,000,000	1,000,000,000
ČR, 5.50 %, 28	149	CZ0001006696	12/12/2028	80,305,660,000	20,694,340,000
ČR, 2.75 %, 29	105	CZ0001005375	23/7/2029	149,000,000,000	1,000,000,000
ČR, 0.05 %, 29	130	CZ0001006076	29/11/2029	82,023,020,000	2,976,980,000
ČR, 0.95 %, 30	94	CZ0001004477	15/5/2030	149,000,000,000	1,000,000,000
ČR, 5.00 %, 30	150	CZ0001006688	30/9/2030	101,000,000,000	0
ČR, 1.20 %, 31	121	CZ0001005888	13/3/2031	149,000,000,000	1,000,000,000
ČR, VAR %, 31	139	CZ0001006241	31/10/2031	100,000,000,000	1,000,000,000
ČR, 1.75 %, 32	138	CZ0001006233	23/6/2032	149,000,000,000	1,000,000,000
ČR, 2.00 %, 33	103	CZ0001005243	13/10/2033	149,000,000,000	1,000,000,000
ČR, 3.50 %, 35	145	CZ0001006431	30/5/2035	52,682,100,000	8,317,900,000
ČR, 4.20 %, 36	49	CZ0001001796	4/12/2036	79,000,000,000	1,000,000,000
ČR, 1.95 %, 37	142	CZ0001006316	30/7/2037	42,252,780,000	8,747,220,000
ČR, 1.50 %, 40	125	CZ0001005920	24/4/2040	60,543,910,000	5,456,090,000
ČR, 4.85 %, 57	53	CZ0001002059	26/11/2057	21,420,000,000	580,000,000
Total CZK				2,587,332,330,000	92,060,210,000
ČR, 0.00 %, 24 II	146	CZ0001006480	24/4/2024	1,000,000,000	0
ČR, 0.00 %, 27	129	CZ0001006043	27/7/2027	500,000,000	0
Total EUR				1,500,000,000	0

Note: Excl. nominal values of government bonds provided and/or received by the Ministry as collateral when realizing repo operations under treasury single accounts liquidity management and/or within lending facilities.

Source: MoF

Table 8: Medium-Term and Long-Term Government Bonds Issued on Foreign Markets as at 31/3/2023

ISIN	Currency	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
XS0240954361	JPY	16/1/2036	30,000,000,000	0
Total JPY			30,000,000,000	0

Note: Excl. nominal values of government bonds provided and/or received by the Ministry as collateral when realizing repo operations under treasury single accounts liquidity management and/or within lending facilities.
Source: MoF

Table 9: Issued State Treasury Bills as at 31/3/2023

Issue no.	Maturity (weeks)	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
875	13	CZ0001006837	28/4/2023	24,295,000,000	0
879	13	CZ0001006878	26/5/2023	6,779,000,000	0
877	26	CZ0001006852	11/8/2023	14,812,000,000	0
872	52	CZ0001006803	1/12/2023	0	100,000,000,000
Total CZK				45,886,000,000	100,000,000,000
874	13	CZ0001006829	21/4/2023	1,000,000,000	0
878	26	CZ0001006860	18/8/2023	1,000,000,000	0
Total EUR				2,000,000,000	0

Note: Excl. nominal values of government bonds provided and/or received by the Ministry as collateral when realizing repo operations under treasury single accounts liquidity management and/or within lending facilities.
Source: MoF

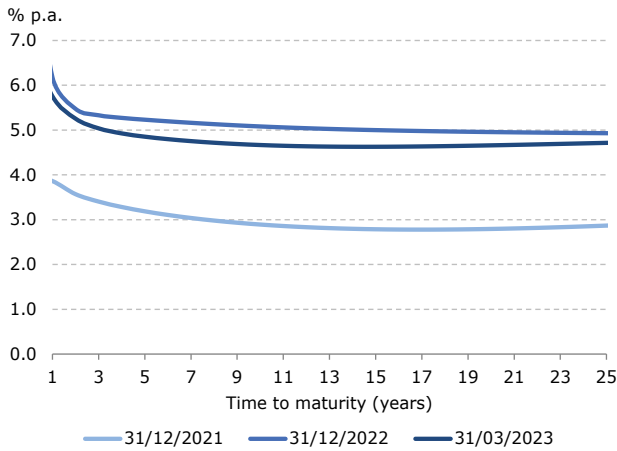
Table 10: Issued Savings Government Bonds as at 31/3/2023

Issue name	Issue no.	ISIN	Maturity date	Nominal value outstanding	Nominal value booked on MoF's asset accounts
SD-R ČR, FIX %, 25	106	CZ0001005623	1/2/2025	2,691,661,709	0
SD-R ČR, FIX %, 25 II	107	CZ0001005631	1/4/2025	888,193,194	0
SD-R ČR, FIX %, 25 III	108	CZ0001005649	1/7/2025	365,371,184	0
SD-I ČR, CPI %, 25	110	CZ0001005714	1/7/2025	5,692,187,282	0
SD-R ČR, FIX %, 25 IV	111	CZ0001005730	1/10/2025	54,003,618	0
SD-I ČR, CPI %, 25 II	112	CZ0001005722	1/10/2025	1,324,465,625	0
SD-F ČR, 1.50 %, 25	113	CZ0001005748	1/10/2025	16,823,180	0
SD-R ČR, FIX %, 26	114	CZ0001005763	2/1/2026	48,499,327	0
SD-I ČR, CPI %, 26	115	CZ0001005771	2/1/2026	1,903,181,704	0
SD-F ČR, 1.25 %, 26	116	CZ0001005789	2/1/2026	14,473,731	0
SD-R ČR, FIX %, 26 II	117	CZ0001005813	1/4/2026	45,422,975	0
SD-I ČR, CPI %, 26 II	118	CZ0001005821	1/4/2026	2,203,957,632	0
SD-F ČR, 1.50 %, 26 II	119	CZ0001005805	1/4/2026	18,559,115	0
SD-R ČR, FIX %, 26 III	122	CZ0001005896	1/7/2026	111,211,295	0
SD-I ČR, CPI %, 26 III	123	CZ0001005904	1/7/2026	2,254,854,796	0
SD-F ČR, 1.30 %, 26 III	124	CZ0001005912	1/7/2026	59,949,387	0
SD-R ČR, FIX %, 26 IV	127	CZ0001006019	1/10/2026	40,185,616	0
SD-I ČR, CPI %, 26 IV	128	CZ0001006001	1/10/2026	4,594,370,204	0
SD-R ČR, FIX %, 26 V	131	CZ0001006092	31/12/2026	37,574,186	0
SD-I ČR, CPI %, 26 V	132	CZ0001006100	31/12/2026	5,818,292,357	0
SD-R ČR, FIX %, 27	133	CZ0001006134	1/4/2027	37,144,550	0
SD-I ČR, CPI %, 27	134	CZ0001006142	1/4/2027	3,474,048,682	0
SD-R ČR, FIX %, 27 II	136	CZ0001006209	1/7/2027	58,419,996	0
SD-I ČR, CPI %, 27 II	137	CZ0001006217	1/7/2027	4,853,640,930	0
SD-R ČR, FIX %, 27 III	140	CZ0001006282	1/10/2027	51,151,332	0
SD-I ČR, CPI %, 27 III	141	CZ0001006290	1/10/2027	6,288,468,268	0
SD-R ČR, FIX %, 28	143	CZ0001006324	3/1/2028	96,914,935	0
SD-I ČR, CPI %, 28	144	CZ0001006332	3/1/2028	46,842,136,527	0
Total				89,885,163,337	0

Source: MoF

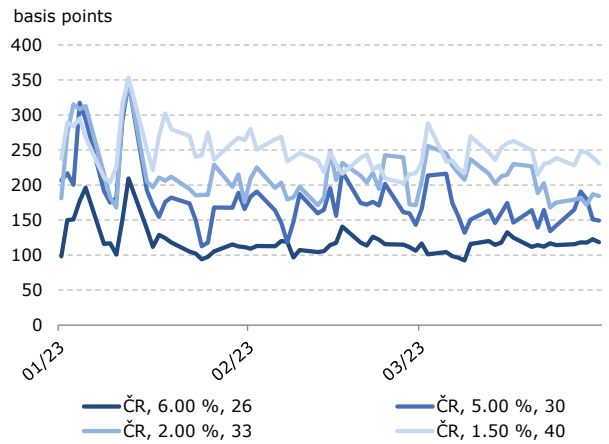
3 – Secondary Market of Government Bonds

Figure 1: Yield Curve of Government Bonds



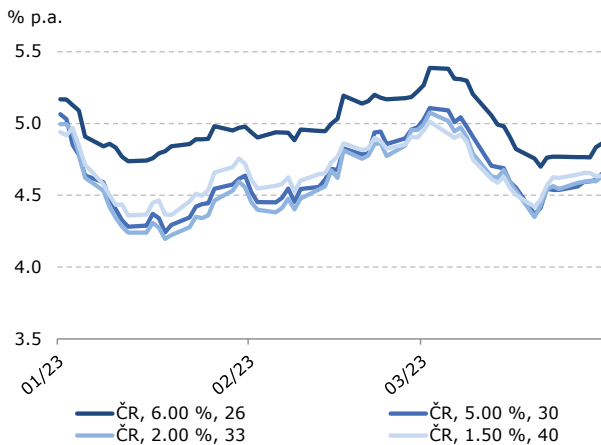
Note: "Par" yield curve of CZK-denominated fixed-rate government bonds is constructed on the basis the extended Nelson-Siegel model, called Svensson model.
Source: MoF, MTS

Figure 2: Bid-Offer Spreads of Selected Government Bonds



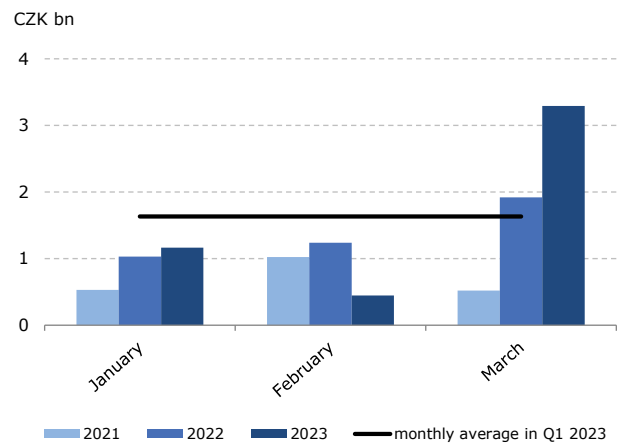
Source: MoF, MTS

Figure 3: Yields of Selected Government Bonds



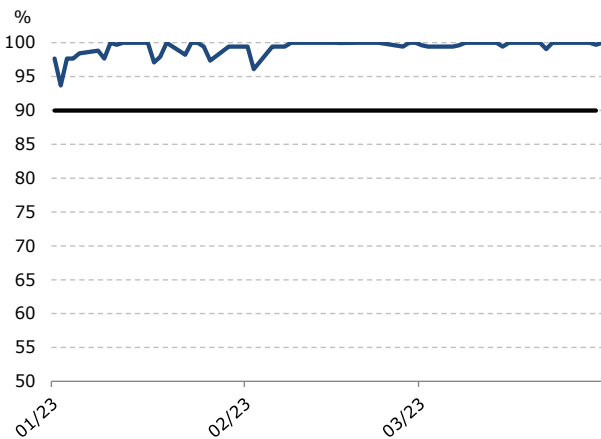
Source: MoF, MTS

Figure 4: Traded Nominal Value on MTS Czech Republic



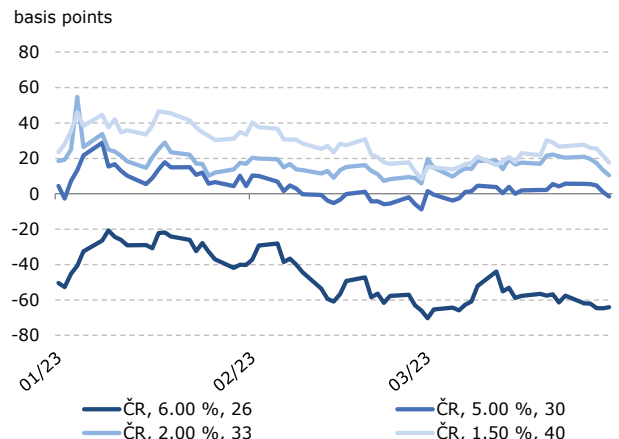
Source: MoF, MTS

Figure 5: Average Daily Compliance Ratio of Primary Dealers on MTS Czech Republic



Source: MoF, MTS

Figure 6: "Asset Swap Spread" Risk Premium of Selected Government Bonds



Source: Bloomberg

Table 11a: Realized Lending Facilities of Government Bonds in the Form of Repo Operations in Q1 2023

Issue name	ISIN	Collateral nominal value	Financial resources received	Financial resources paid ¹
-	-	-	-	-
Total		-	-	-

¹ Incl. financial resources from this lending facilities realized in Q1 2023, which has not been paid during this period.
Source: MoF

Table 11b: Realized Lending Facilities of Government Bonds in the Form of Collateralized Loans of Securities in Q1 2023

Issue name	ISIN	Nominal value	Revenue ¹
ČR, 0.45 %, 23	CZ0001004600	4,700,000,000	2,256,213
ČR, 1.95 %, 37	CZ0001006316	230,000,000	29,457
Total		4,930,000,000	2,285,671

¹ Incl. financial revenue from this lending facilities realized in Q1 2023, which has not been terminated during this period.
Source: MoF

Table 12: Buy-Backs of Government Bonds in Q1 2023

Issue name	Issue no.	Settlement date	Maturity date	Average price	Currency	Nominal value
-	-	-	-	-	-	-
Total						-

Source: MoF

Table 13: Tap Sales of Government Bonds in Q1 2023

Issue name	Issue no.	Settlement date	Maturity date	Average price	Currency	Nominal value
-	-	-	-	-	-	-
Total						-

Source: MoF

Table 14: Realized Exchange Operations of Government Bonds in Q1 2023

Settlement date	Issue name	Tap sale		Buy-back		
		Nominal value	Average price	Issue name	Nominal value	Average price
20/1/2023	ČR, 2.75 %, 29	100,000,000	90.600	ČR, 0.45 %, 23	100,000,000	95.600
20/1/2023	ČR, 1.75 %, 32	2,514,000,000	80.660	ČR, 0.45 %, 23	2,514,000,000	95.600
20/1/2023	ČR, 3.50 %, 35	300,000,000	92.750	ČR, 0.45 %, 23	300,000,000	95.600
20/1/2023	ČR, 1.95 %, 37	106,090,000	74.700	ČR, 0.45 %, 23	106,090,000	95.600
23/1/2023	ČR, 2.75 %, 29	300,000,000	91.000	ČR, 0.45 %, 23	300,000,000	95.685
23/1/2023	ČR, 1.75 %, 32	400,000,000	81.300	ČR, 0.45 %, 23	400,000,000	95.685
23/1/2023	ČR, 3.50 %, 35	200,000,000	93.150	ČR, 0.45 %, 23	200,000,000	95.685
23/1/2023	ČR, 1.50 %, 40	950,000,000	65.779	ČR, 0.45 %, 23	950,000,000	95.685
7/2/2023	ČR, 2.40 %, 25	2,100,960,000	93.000	ČR, 0.45 %, 23	2,100,960,000	95.930
7/2/2023	ČR, 2.75 %, 29	395,570,000	90.250	ČR, 0.45 %, 23	395,570,000	95.930
8/2/2023	ČR, 0.25 %, 27	381,180,000	83.710	ČR, 0.45 %, 23	381,180,000	95.950
15/2/2023	ČR, 0.05 %, 29	451,420,000	73.700	ČR, 0.45 %, 23	451,420,000	96.110
15/2/2023	ČR, VAR %, 31	3,522,580,000	100.020	ČR, 0.45 %, 23	3,522,580,000	96.110
6/3/2023	ČR, 5.50 %, 28	500,000,000	101.660	ČR, 0.45 %, 23	500,000,000	96.190
7/3/2023	ČR, 5.50 %, 28	305,000,000	101.600	ČR, 0.45 %, 23	305,000,000	96.295
8/3/2023	ČR, 5.50 %, 28	2,645,000,000	101.800	ČR, 0.45 %, 23	2,645,000,000	96.355
14/3/2023	ČR, 5.50 %, 28	1,200,920,000	102.450	ČR, 0.45 %, 23	1,200,920,000	96.510
14/3/2023	ČR, 5.00 %, 30	3,525,000,000	100.600	ČR, 0.45 %, 23	3,525,000,000	96.510
16/3/2023	ČR, 5.00 %, 30	3,371,000,000	102.000	ČR, 0.45 %, 23	3,371,000,000	96.800
17/3/2023	ČR, 5.00 %, 30	4,230,090,000	102.020	ČR, 0.45 %, 23	4,230,090,000	96.990
21/3/2023	ČR, 1.75 %, 32	783,120,000	79.500	ČR, 0.45 %, 23	783,120,000,	97.290
21/3/2023	ČR, 3.50 %, 35	1,183,550,000	90.750	ČR, 0.45 %, 23	1,183,550,000,	97.290
27/3/2023	ČR, 1.95 %, 37	1,325,000,000	72.950	ČR, 0.45 %, 23	1,325,000,000	97.235
28/3/2023	ČR, 0.05 %, 29	1,000,000,000	74.300	ČR, 0.45 %, 23	1,000,000,000	97.465
28/3/2023	ČR, 1.95 %, 37	1,000,000,000	73.260	ČR, 0.45 %, 23	1,000,000,000	97.465
29/3/2023	ČR, 5.50 %, 28	2,000,000,000	104.150	ČR, 0.45 %, 23	2,000,000,000	97.420
29/3/2023	ČR, 1.95 %, 37	1,000,000,000	72.970	ČR, 0.45 %, 23	1,000,000,000	97.420
31/3/2023	ČR, 5.50 %, 28	1,500,000,000	104.360	ČR, 0.45 %, 23	3,000,000,000	97.455
Total		37,290,480,000			38,790,480,000	

Source: MoF

4 – Risk Management and Portfolio Strategy

Table 15: Targets, Limits and Risk Parameters of the Debt Portfolio

INDICATOR	Announced target for medium-term horizon	As at 31/3/2023
Short-term state debt	20.0% and less	10.3%
Medium-term state debt	70.0% and less	45.9%
Average time to maturity	6.5 years	6.1 / 6.4 ¹ / 7.0 ² years
Interest re-fixing up to 1 year	40.0% and less	21.7%
Average time to re-fixing	5.0 to 6.0 years	5.5 years
Net foreign-currency exposure with the impact on the state debt level	15.0% and less ³	5.4%
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on state debt service	15.0% and less ³	3.3%

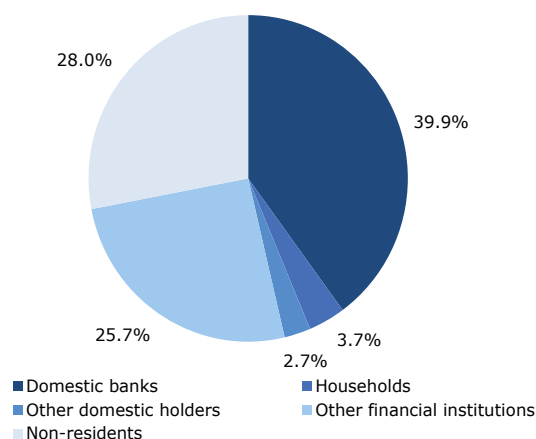
¹ After offsetting nearest state debt redemptions against cash resources from short-term reserve operations on money market.

² After offsetting nearest state debt redemptions against total available state treasury liquidity.

³ Possible short-term excess by 2 p.p. in case of an unexpected depreciation of domestic currency. The limit stipulated by the Ministry is valid for each year of medium-term horizon without the possibility to exceed it. However, its value is subjected to the condition that there will be no more pronounced depreciation of Czech koruna exchange rate.

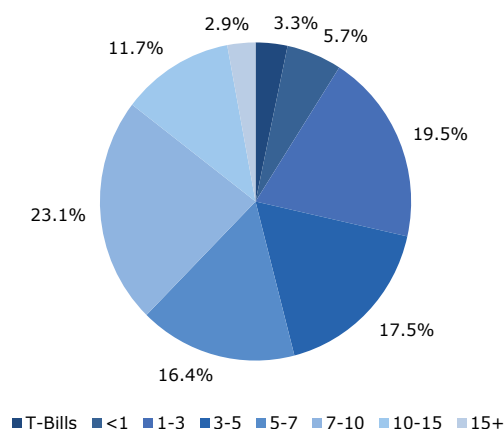
Source: MoF

Figure 7: Structure of Government Bonds by Type of Holder



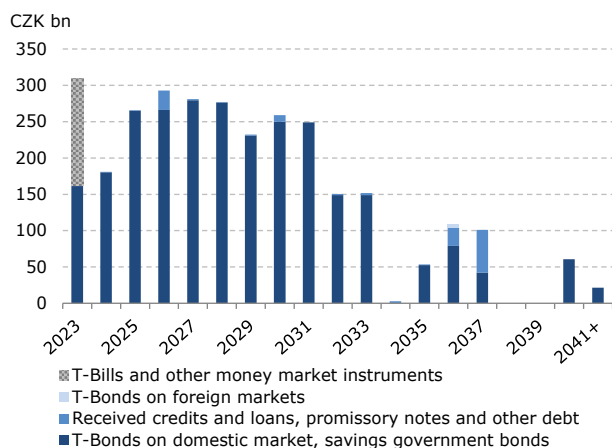
Note: Incl. T-Bonds issued on domestic market, savings government bonds and T-Bills. As at 31/3/2023.
Source: MoF, CDCP, CNB

Figure 8: Structure of Government Bonds by Residual Time to Maturity



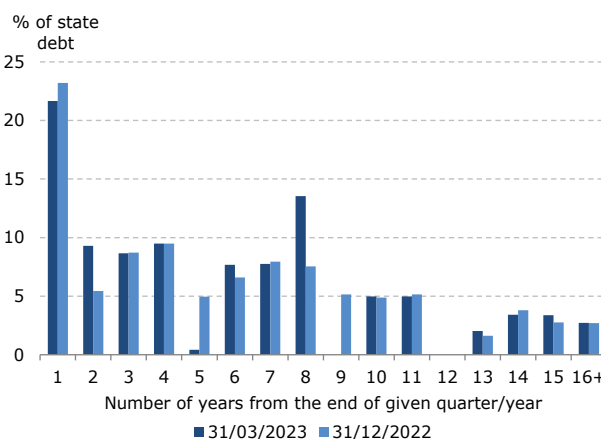
Note: Incl. T-Bonds issued on domestic and foreign markets, savings government bonds and T-Bills. As at 31/3/2023.
Source: MoF

Figure 9: Maturity Profile of State Debt



Note: Received credits and loans include credits and loans received from international financial institutions and European Commission. Other debt includes unpaid principals of government securities. As at 31/3/2023.
Source: MoF

Figure 10: Re-fixing Profile of State Debt



Source: MoF

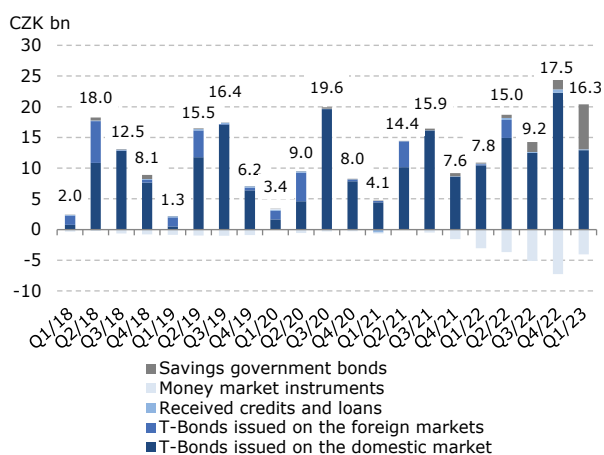
Table 16: State Debt Parameters

	31/3/ 2022	30/6/ 2022	30/9/ 2022	31/12/ 2022	31/3/ 2023
Total state debt (CZK bn)	2,593.9	2,707.7	2,890.4	2,894.8	2,997.0
Market value of state debt (CZK bn)	2,399.7	2,391.6	2,553.6	2,590.0	2,744.3
Short-term state debt (%)	10.2	11.9	12.7	12.1	10.3
Medium-term state debt (%)	45.3	46.6	47.1	47.0	45.9
T-Bills and other money market instruments (%)	2.1	6.0	9.6	5.1	4.9
Average time to maturity (years)	6.4	6.2	5.9	6.2	6.1
Interest re-fixing up to 1 year (%)	23.6	22.9	23.7	23.2	21.7
Average time to re-fixing (years)	5.7	5.5	5.2	5.6	5.5
Variable-rate state debt (%)	13.7	14.6	14.3	14.4	14.5
Modified duration (years)	4.7	4.3	4.1	4.4	4.4
Net foreign-currency exposure with the impact on the state debt level (%)	6.5	6.3	5.9	5.8	5.4
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on state debt service (%)	4.9	4.1	3.6	3.6	3.3
Foreign currency state debt (%)	6.1	7.6	9.5	10.6	8.6
Share of EUR in state debt level net foreign currency exposure (%)	90.2	90.1	89.8	90.1	90.3
Share of EUR in interest expenditure on state debt net short-term foreign currency exposure (%)	91.2	89.5	88.4	88.8	89.0
Non-marketable state debt (%) ¹	3.7	7.1	8.8	9.8	6.2
Share of savings government bonds on state debt (%)	3.1	3.0	2.8	2.9	3.0
Marketable state debt (CZK bn)	2,417.3	2,436.0	2,554.8	2,526.4	2,720.3
Market value of marketable state debt (CZK bn)	2,229.7	2,131.2	2,232.1	2,236.8	2,480.2
Short-term marketable state debt (%)	10.1	8.6	7.5	7.9	9.3
Medium-term marketable state debt (%)	45.5	44.6	43.8	45.1	44.2
T-Bills and other money market instruments (%)	1.6	2.1	4.1	0.0	3.4
Average time to maturity (years)	6.4	6.4	6.2	6.3	6.1
Interest re-fixing up to 1 year (%)	20.9	17.2	16.4	17.1	18.2
Average time to re-fixing (years)	5.9	5.9	5.7	5.8	5.5
Variable-rate marketable state debt (%)	11.0	12.5	12.5	12.8	12.3
Modified duration (years)	4.8	4.6	4.4	4.6	4.4
Net foreign-currency exposure with the impact on the marketable state debt level (%)	3.9	1.9	0.2	0.2	0.2
Net short-term foreign-currency exposure with the impact on the level of interest expenditure on marketable state debt service (%)	3.6	0.9	0.2	0.2	0.2
Foreign-currency marketable state debt (%)	3.5	1.5	1.6	1.6	3.2
Share of EUR in marketable state debt level net foreign currency exposure (%)	94.3	88.6	0.0	0.0	0.0
Share of EUR in interest expenditure on marketable state debt net short-term foreign currency exposure (%)	100.0	100.0	100.0	100.0	100.0

¹ Excl. savings government bonds.
Source: MoF

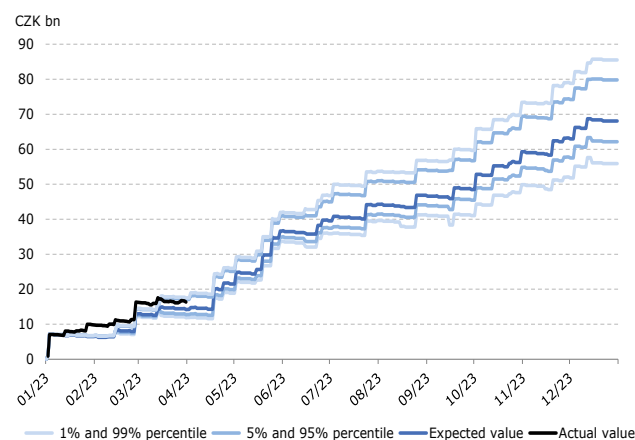
5 – State Debt Service Expenditure and Cost-at-Risk

Figure 11: Net Interest Expenditure on State Debt



Note: Received credits and loans include credits and loans received from international financial institutions and European Commission.
Source: MoF

Figure 12: Actual vs. Simulated Net Interest Expenditure on State Debt



Note: Interest expenditure are calculated using the cash principle according to the current state budget methodology.
Source: MoF

Table 17: Budget Expenditure and Revenue of the Chapter State Debt

CZK mil	Budget 2023			Actual Q1 2023	% Execution	2023/2022 (%)
	Actual Q1 2022	Approved	After changes			
1. Total interest expenditure and revenue	7,848	68,967	68,967	16,334	23.7	208.1
Internal debt	7,540	64,017	64,017	16,126	25.2	213.9
Money market instruments	(-) 3,064	(-) 11,250	(-) 11,250	(-) 4,136	36.8	135.0
Savings government bonds	147	11,500	11,500	7,318	63.6	4,965.3
T-Bonds on domestic market	10,457	63,767	63,767	12,944	20.3	123.8
External debt	301	4,200	4,200	132	3.1	43.9
T-Bonds on foreign markets	193	1,000	1,000	0	0.0	0.0
Received credits and loans ¹	108	3,200	3,200	132	4.1	122.2
Payment accounts	7	750	750	77	10.2	1,113.0
2. Fees	78	1,000	1,000	31	3.1	40.1
Total chapter balance	7,925	69,967	69,967	16,365	-	206.5

¹ Credits and loans received from international financial institutions and European Commission.
Note: (-) means revenue (gains).
Source: MoF

Table 18: Overview of Budgetary Transfers from the Chapter State Debt Realized in Q1 2023

Chapter number	Chapter	Funds allocation	Amount (CZK)
-	-	-	-
Total			-

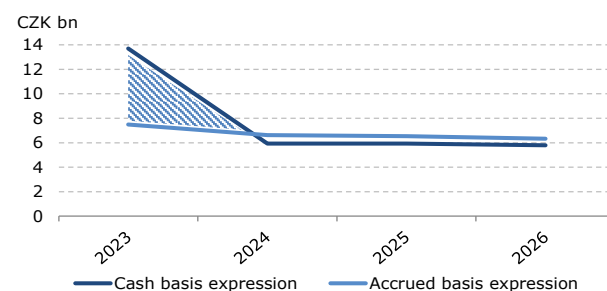
Source: MoF

Table 19: Expected vs. Actual Net Interest Expenditure

CZK bn	Q1 2022	Q1 2023
Actual expenditure	7.8	16.3
Expected expenditure	-	14.2
Cost-at-Risk 95%	-	17.1
Cost-at-Risk 99%	-	17.5
Difference between expectation and reality	-	-2.1

Source: MoF

Figure 13: Net Cash Interest Expenditure and Accrued Interest Costs of Newly Issued Debt



Note: Incl. T-Bonds issued on domestic market, savings government bonds and T-Bills.
Source: MoF

Table 20: Interest Expenditure and Accrued Costs of the Newly Issued Government Bonds

CZK bn	Nominal value	Net interest expenditure/accrued costs			
		2023F	2024F	2025F	2026F
Cash basis expression	283.2	13.7	5.9	5.9	5.8
Accrued basis expression	283.2	7.5	6.6	6.5	6.3
Gross issuance of T-Bonds	141.0	5.8	6.6	6.5	6.3
Gross issuance of T-Bills	142.2	1.7	-	-	-
Gross issuance of savings government bonds	0.0	-	-	-	-

Note: Gross issuance of savings government bonds exclude reinvestment of yields of already issued savings government bonds.
Source: MoF

6 – Evaluation of the Primary Dealers in Q2 2022 to Q1 2023

The methodology for primary dealer evaluation is based only on quantitative criteria for performance on primary and secondary market of government bonds.

The maximum evaluation that can be achieved by any primary dealer is 100 points, whereas this score is counted on a relative basis. The activity of primary dealers is thus evaluated every quarter

based on the Aggregate Performance Evaluation Index (APEI) defined in Annex I to the Primary Dealer Agreement for Czech Government Securities, always for four consecutive evaluation periods. According to Article 1, every calendar quarter is the evaluation period.

All 9 primary dealers were evaluated.

Table 21: Overall Evaluation in Q2 2022 to Q1 2023

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	82.2
2 nd	PPF banka a.s.	60.0
3 rd	Société Générale / Komerční banka, a.s.	55.8
4 th	Erste Group Bank AG / Česká spořitelna, a.s.	49.8
5 th	J. P. Morgan SE	34.1

*Note: Maximum possible number of points in overall evaluation is 100.
Source: MoF*

Table 22: Evaluation on Primary Market in Q2 2022 to Q1 2023

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	42.7
2 nd	PPF banka a.s.	34.7
3 rd	Société Générale / Komerční banka, a.s.	31.1
4 th	Erste Group Bank AG / Česká spořitelna, a.s.	27.7
5 th	UniCredit Bank AG / UniCredit Bank Czech Republic and Slovakia, a.s.	16.2

*Note: Maximum possible number of points in this criterion is 55.
Source: MoF*

Table 23: Evaluation on Secondary Market in Q2 2022 to Q1 2023

Ranking	Primary Dealer	Points
1 st	KBC Bank NV / Československá obchodní banka, a. s.	39.5
2 nd	J. P. Morgan SE	25.7
3 rd	PPF banka a.s.	25.3
4 th	Société Générale / Komerční banka, a.s.	24.7
5 th	Erste Group Bank AG / Česká spořitelna, a.s.	22.2

*Note: Maximum possible number of points in this criterion is 45.
Source: MoF*

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